

MANNTM REPORT

| THE PEOPLE BEHIND THE DEALS IN THE NY REAL ESTATE SCENE |

A photograph of two men in dark suits and sunglasses walking on a city street at night. The man on the left has long hair and is gesturing with his hands while talking. The man on the right is holding a folder. In the background, there are city buildings, a street sign with the number '17', and a white truck.

Massey Knakal Realty Services

ROBERT KNAKAL AND PAUL MASSEY

“Neighborhood Expertise... Citywide and Beyond”

Nearly 20 years ago, two 20-something real estate agents in New York City had a business idea they thought might revolutionize the industry.

Paul Massey and Robert Knakal's idea was something that hadn't been done before, but it made perfect sense. Why not slice up New York City into geographic territories and create a real estate brokerage firm full of “territory experts?”

Today that brainstorm has come to fruition. With 200 employees and coverage of Manhattan, Queens, Brooklyn, the Bronx, Staten Island, Nassau County, Long Island and Westchester County, New York, Massey Knakal Realty Services has taken over and dominated the New York City building sales marketplace.

“Our business model is very basic, and its beauty is in its simplicity,” Mr. Knakal said. “We have an approach in which we get people to think disciplined thoughts in order to implement a disciplined program.”

Each Massey Knakal broker works in a specific area with the idea that the city is far too big for one person to know everything about New York City. By focusing on one small geographic location, the broker is able to become a market expert in that area by knowing who's buying, who's selling, what prices are and how best to maximize the sale price of a property. This focus allows Massey Knakal agents to be the best possible advocate for the seller, giving them the ability to convince buyers to pay higher prices. In fact, the company is so focused on this approach that it only represents sellers. This way, Massey Knakal keeps its objectives completely aligned with the seller's, which avoids conflicts of interest completely.

This approach to the New York City marketplace has paid off. In the 18 years the firm has been in existence, nearly 3,000 transactions have been closed with an aggregate value of over \$8 billion. In 2005, Massey Knakal was ranked #1 by Co-Star for the 5th year in a row as the top building sales firm in New York City. Also in 2006, the New York City appraisal firm Miller Cicero announced the results of their independent study of the building sales market in Manhattan, Brooklyn, Queens and the Bronx. The results demonstrated that Massey Knakal sales produced average prices at levels 31.5% higher than the rest of the market!

“We knew we produced a premium, but anticipated it to be 10 to 15 percent,” Mr. Massey said. “Our singular focus on seller representation clearly allows us to maximize results for our clients.”

The pairing of Mr. Massey and Mr. Knakal began at Coldwell Commercial in Manhattan (now CB Richard Ellis), where they began working after college. Mr. Knakal, a Wharton School of Business graduate, and Mr. Massey, a Colgate University graduate, immediately became business partners in CB's Midtown office and ran the building sales department there for four years. During that time, the two focused on small building sales and discovered that their clients really weren't interested in national real estate markets.

“They were most concerned with what we knew about their neighborhood, their block and their building,” Mr. Massey said. “So we decided to start our own company to service our clients in the same way that we had been servicing them.”

After running Massey Knakal for about a decade, it became clear that Manhattan was not the only place to sell real estate. In 1998, Massey Knakal opened an office in Queens, and in 2002, an office in Brooklyn.

“The outer boroughs were long considered the ‘wild west’ of the real estate marketplace,” said Massey Knakal Partner Tim King. “But in reality, the fragmented nature of the marketplace in the outer boroughs provides great opportunities for those of us with market knowledge to capitalize on the market efficiencies.”

Massey Knakal's motto used to be, “Neighborhood Expertise ... Citywide.” That motto has since changed to, “Neighborhood Expertise ... Citywide and Beyond.” Massey Knakal is always looking ahead, with future plans to open offices in the Bronx, Staten Island, New Jersey, and Long Island.

“We have been successful by sticking to what we do best – selling buildings,” Mr. Knakal said. “We do not want to get involved in any other discipline within the real estate business, but want to continue to increase our area of influence geographically.”

In addition to Mr. Massey and Mr. Knakal, the firm has 10 other partners; Chief Executive Officer John Ciraulo; Senior Partner James Ventura; Tom Donovan; Tim King; Managing Partners Marco Lala, Shimon Shkury, Brian Leary, James Nelson and Mahmud Wazihullah; and Vice President Christy Moyle.

“All the partners have been in the industry long enough to realize that the fortunes of a company are tied to the quality of its employees.”

“We are most proud of the success the company has had and are cognizant that it's based on the quality of people we have been able to attract, hire and retain,” Mr. Ciraulo said. “We currently employ some of the most capable and qualified building sales brokers in New York City and have been able to attract quality clients, including some of the largest and most prestigious names in the industry. We have a reputation for success. This truly is a company that succeeds with the joint effort of the partners, sales people and staff, right down to the part-time employees who do the mail.”

Massey Knakal has set its sight on revolutionizing the industry again, only this time with its updated and highly rigorous training program. Led by Training Director Wayne Naylor and Mr. Ventura, the program is now unrivaled in the industry.

“Wayne and Jimmy have simply created the best training program,” Mr. Knakal said. “This goes for all industries, not just real estate. Senior management was so impressed with the selling skills of the recent graduates of the program, as evidenced by the quality of their board certification presentations, that we decided every sales person should go through training regardless of tenure with the firm or earnings level. To set an example, the partners decided to go through the program and if you ask them how beneficial the training was, you will hear unanimously that they feel their personal success has been enhanced.”

The training program is not generic as each agent receives special attention and can take advantage of the many aspects of the Massey Knakal University. “We formulate customized prescriptions for each of our agents, which allows us to maximize their performance,” Mr. Ventura said. “Everyone at the firm is constantly trying to improve, and Wayne and I take great pride in shepherding their careers.”

“We have many challenges to face, hurdles to overcome and adversity to deal with. After all, New York City is the toughest place in the world to do business,” Mr. Knakal said. “I know our



Robert Knakal and Paul Massey
at Vivolo Restaurant

people are up to the challenge. I have every confidence that we will persevere. The thing that Paul and I are most proud of is that on a daily basis, the people in this company prove that the nice guy can finish first.”

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**Sellers...
Don't Throw Money Out The Window.**

"The Massey Knakal Premium"

Miller Cicerio's 2005
New York City Building sales study
determined that
Massey Knakal Realty Services
achieved prices that were, on average,
31.5% higher than the rest of the market

Massey Knakal Realty Services

A Tradition of Obtaining the Highest Prices for Sellers.

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